

Appendix A

EXPLANATION OF TERMS

Establishments—An establishment is a single physical location at which business is conducted. An establishment is not necessarily identical with the "company" or "enterprise" which may consist of one or more establishments. Census of Business figures represent a summary of reports for individual "establishments" rather than "companies." (Enterprise statistics reports, Series ES, will be issued at a later date covering the Censuses of Business, Manufactures, and Mineral Industries.) A separate report was obtained for each location where business was conducted, including each location of multiunit organizations. Each report was tabulated in accordance with the physical location at which the business was conducted.

Where two or more activities were carried on at a single location under a single ownership, all activities generally were grouped together as a single establishment, and the entire establishment was classified on the basis of its major activity, with all data for it included in that classification. However, in cases where distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted under the same ownership at a single location, and where conditions prescribed by the Standard Industrial Classification Manual for recognizing the existence of more than one establishment were met, separate establishment reports for each of the different activities were reported in the census.

In the case of leased departments, i.e., separately owned businesses operated as departments of a retail business under another ownership (e.g., a separately owned shoe department in a department store), only a single establishment, combining leased departments with the retail establishment in which they are located, is recognized for 1963 census purposes.

The "number of establishments" shown in this volume is the number in business at the end of the census year.

Sales—Sales include merchandise sold, and receipts from repairs and from other services to customers whether or not payment was received in 1963. Sales are net of deductions for refunds and allowances for merchandise returned by customers. Total sales exclude amounts other than those received from customers, such as income from investments, rental of real estate, etc. They include local and State sales taxes and Federal excise taxes collected by the store directly from customers and paid directly by the store to a local, State, or Federal tax agency. Gasoline, liquor, tobacco, and other excise taxes which are paid by the manufacturer or wholesaler and passed along to the retailer are also included.

Sales do not include retail sales made by manufacturers, wholesalers, service establishments, and other businesses whose primary activity is other than retail trade. They do, however, include receipts other than from the sale of merchandise at retail (e.g., service receipts, sales to industrial users, sales to other retailers, etc.) by establishments primarily engaged in retail trade.

Although the count of establishments in this volume represents the number in business at the end of the year, the

sales figures include sales of all establishments in business at any time during the year. Although nonemployer establishments are included in the tables if they operated at an annual sales volume rate of \$2,500 or more, their reported sales have not been projected to a full year's operation.

Payroll, entire year—Payroll includes salaries, wages, commissions, bonuses, vacation allowances, and the value of payments in kind (such as free meals, lodgings, etc.) paid during the year to all employees. Gratuities received by employees from patrons are not included. For corporations, it includes amounts paid to officers and executives; it does not include compensation of proprietors or of partners of unincorporated businesses. Payroll is reported before deductions for social security, income tax, insurance dues, etc. Payroll is not limited to "taxable" payroll as reported on IRS Form 941.

Payroll, workweek ended nearest November 15—This item consists of payroll, as defined above, paid to persons on the payroll in the pay period ended nearest November 15, 1963. Establishments with a pay period other than a week were requested to adjust the figures to a weekly basis.

Paid employees, workweek ended nearest November 15—Paid employees consist of the number of employees, including salaried officers and executives of corporations, who were on the payroll for the workweek ended nearest November 15.

Active proprietors of unincorporated businesses—These data are computed by crediting sole proprietorships with one proprietor and partnerships with two proprietors if the establishment was in business during the week of November 15.

KIND-OF-BUSINESS CLASSIFICATIONS

Retail trade, as defined in major groups 52 through 59 of the 1957 edition of the SIC Manual and its supplement¹ issued in 1963, and as covered in the 1963 census, includes establishments primarily engaged in selling merchandise to customers for personal, household, or farm use. Some of the important characteristics of retail trade establishments are: The estab-

lishment is engaged in activities to attract the general public to buy; the establishment buys or receives merchandise as well as sells; the establishment may process its products, but such processing is incidental or subordinate to selling; and the establishment is considered as "retail" by the trade.

In this volume, liquor stores operated by State and local governments, classified in SIC major groups 92 and 93,² are also included.

Excluded from retail trade are places of business operated by institutions and open only to their own members or personnel, such as restaurants and bars operated by clubs, school cafeterias, eating places operated by industrial and commercial enterprises for their own employees, establishments operated by agencies of the Federal Government on military posts, hospitals, etc. (As noted previously, table 19 in the U.S. Summary chapter and table 8 in the State chapters of this volume show data for establishments on military posts.)

Establishments covered by the census were assigned a kind-of-business classification in accordance with the provisions

¹Executive Office of the President, Bureau of the Budget, Standard Industrial Classification Manual, 1957, and Supplement to 1957 Edition, 1963.